

February Newsletter

Dear Friends,

Since January my office has been busy with Bond Sales and the Legislative session. In this news letter I will update you about what is happening in Olympia and great events going on in your communities.

2013 Legislative Session

The end of February will mark the 46th day of the legislative session. Currently the House and Senate are hearing bills introduced by their members (House of Origins). The House of origin cut off is March 13th. After that the House and Senate will have bill hearings from the opposite house. The Senate will hear House bills and vice versa.

Bills of Interest

HB 1649/SB 5138

There are a few bills that I have requested be introduced to the Legislature. The first is HB 1646/SB 5138, creating a council on state debt. The council will be made up of the State Treasurer, appointed members from the Senate and House, the director of the Office of Financial Management and the secretary of Transportation.

The purpose of the council is to advise and make recommendations to the governor and the legislature on prudent levels and types of state debt to fund essential capital and transportation projects while protecting the state's credit rating, maintaining financial market access and also preserving future budgetary flexibility.

This bill was referred to the House Capital Budget and Senate Ways and Means Committee.

SHB 1828/SB 5690

In June 2010 the Office of the State Treasurer requested the assistance of the Department of Commerce's Research Services in updating an earlier 2005 study of local government by the CTED. The treasurer's office released its report, *Washington State Local Government Financial Health Indicators*, in August 2010. The study found that the financial condition of Washington's local governments generally declined between 2004 and 2008 based on selected stress indicators. Cities and counties showed more financial stress overall than in 2004.

In light of this study I requested SHB 1828/SB 5690, concerning the fiscal conditions of local government. Under this bill a commission is created that consist of the State Treasurer, State Auditor, representatives of cities, counties, and employees, the executive director of the Municipal Research and Services Center, and Governor appointees.

The commission must monitor, track, and research factors that can cause fiscal stress in local governments. For local governments that may be experiencing financial stress, the commission may offer the local government resources and support, engage professionals to provide guidance and assistance to the local government, or create financial and management plans.

This bill has been passed out of the House General Government Appropriations Committee.

HB 1173/SB 5483

In addition to bills that my office has requested there are bills that my office supports. One such bill is HB 1173/SB 5483, regarding Financial Education Public Private Partnership (FEPPP).

The Financial Education Public-Private Partnership (Partnership) consists of four legislators, four representatives from the financial services sector, four educators, one designee from the Department of Financial Institutions, and two representatives from the Office of the Superintendent of Public Instruction (OSPI).

The duties of the Partnership include:

- communicating financial education standards and strategies for improving financial education to school districts;
- reviewing and developing a procedure for endorsing financial education curriculum;
- identifying assessments and outcome measures that schools can use to determine whether students meet financial education standards; and
- monitoring and providing guidance for professional development.

This bill adds the State Treasurer or designee as a member of FEPPP. It provides for teachers who are a member of FEPPP to be reimbursed for travel expenses and requires the Office of the Superintendent of Public Instruction to make financial education curriculum available to school districts, and school districts to provide courses with this curriculum.

My office has been very involved with financial education partners such as FEPPP to provide opportunities and access to financial education for our students. We look forward to working with FEPPP in this new capacity. This bill is currently on the 2nd reading calendar.

You can track these and other bills at <http://www.leg.wa.gov>.

Bond Sale

Last month on January 23rd my office held a bond sale. We issued \$554 million in new bond sales and refinanced \$785 million in outstanding general obligation bonds. We were able to save the taxpayers more than \$79 million in today's dollars. This reduction in principal and

interest payments will provide more than \$11.9 million to help balance the budgets through the end of the 2013-15 biennium.

This \$11.9 million is a reminder that our strong credit rating and reputation for prudent financial management are tangible assets for the taxpayer. With the savings from this sale, we take a step toward closing a substantial budget gap and another long stride in our efforts to make sure taxpayers get the maximum value for their money.

For more information about this and other bond sales please visit <http://www.tre.wa.gov>

Washington Saves Week

Feb. 25th -March 2nd is "Washington Saves Week" this is part of a national theme "Build Wealth, Not Debt". I join my partners Department of Financial Institutions and the Governor's office in encouraging families to save. You don't have to make a lot to start saving. Each step leads to creating a better future.

Financial Fitness Day

In communities across our state non-profits, government agencies, and financial institutions are coordinating to create Financial Fitness Day Events. This is an opportunity for community members to learn about their finances and how to build assets. At these events you can attend workshops covering topics such as "Dealing with Debt and Debt Collectors", "First time homebuyer " and "Saving for Retirement". In addition, you can have your credit scored pulled and speak to a credit consular. If you have a graduating senior some offer FASFA preparation.

Seattle King County Financial Fitness Day is March 9, 2013 at Rainer Community Center from 10am-3pm. For more information visit <http://www.skcab.org/FinancialFitnessDay/default.htm>

Benton-Franklin Asset Building Coalition Financial Fitness Day is April 27, 2013 between 10am-2pm at Columbia Basin College.

The Treasurer's office is excited to be a part of these efforts. I will keep you posted on more community events.

As always if you have any questions please feel free to contact my office. Until next time.

James L. McIntire
Washington State Treasurer